



# ***COMMITTEE of the WHOLE***

## ***CITY COUNCIL***

**MINUTES**  
**March 24, 2008**  
**5:00 P.M.**  
**Council Office**

### **COUNCIL MEMBERS PRESENT:**

D. Sterner, S. Marmarou, J. Waltman, S. Fuhs, M. Goodman-Hinnershitz, M. Baez, V. Spencer

### **OTHERS IN ATTENDANCE:**

C. Younger, R. Hottenstein, L. Kelleher, C. Jones, T. McMahon, S. Katzenmoyer, C. Weidel, T. Butler, K. Mooney, D. Binder, B. Randy (Black and Veatch), J. McMahon, V. McMahon, A. Shuman, Galenti

Vaughn Spencer, President of Council, called the Committee of the Whole meeting to order at 5:00p.m.

### **I. Executive Session**

Council entered into executive session to discuss personnel and litigation issues. Executive session ended at 6:00 pm.

### **II. Senate Bill 777**

Cindy Weidel, Tax Manager, gave an overview of Senate Bill 777. She requested that Council approve the Resolution showing its support. If approved, the City continues to choose how delinquent taxes are collected. If the Bill is not approved, the City will lose that ability as a County department will be created and all entities must use that department and pay a 5% fee to the County tax collector. She urged Council to adopt the Resolution

Mr. Spencer questioned the current status of the Bill. Ms. Weidel noted that the House passed a similar bill and this is on the Senate's calendar in May.

Mr. Spencer noted that the Bill has bipartisan support and questioned the need for Council's adoption of this Resolution. Ms. Weidel stated that it is to indicate the City's support of the Bill's adoption.

Mr. Fuhs noted that the Bill was introduced one year ago. He noted that it has been sitting in Committee since its introduction.

Mayor McMahon questioned how the County department would be funded. Ms. Weidel stated that it is unknown at this time.

Mr. Fuhs questioned who suggested Council take this action. Ms. Weidel stated that it was suggested by the City's current tax collector.

### **III. Animal Control**

Ms. Butler highlighted the contract differences between the Humane Society and the Animal Rescue League. She distributed a draft of the contract agreement for Council's review. She noted that the final figures are included.

Ms. Kelleher stated that she contacted three members of the Animal Control Board about the City changing vendors. None of them had any negative comments.

Ms. Kelleher noted that she senses that if the City makes this change, the Humane Society will no longer wish to serve Reading residents. Ms. Butler will contact Mr. Minor to clarify this statement.

Ms. Goodman-Hinnershitz stated that the public needs to be made aware of the services available under this agreement. Mr. Spencer reiterated that this contract is for enforcement services for the City of Reading, not the residents of Reading. Mr. Waltman expressed the belief that the Humane Society has taken a reactionary stance.

Ms. Butler questioned why they would refuse services to City residents. Mr. Kelleher noted the need to discuss this issue. She noted that this does not change the scope of their services to residents. Ms. Butler noted that a reaction such as this would be a detriment to their business. Ms. Goodman-Hinnershitz noted that the Board of Directors, not the Executive Director, should be making this type of decision.

### **IV. Consent Decree**

Mr. Jones noted the need to adopt the award of contract for the design phase.

Mr. Waltman questioned the financial impact of receiving only one bid. Mr. Jones stated that this project would be approximately \$13 million. He feels the limited response is due to timelines.

Mr. Waltman questioned if other bids would have been relatively similar in cost. He questioned this limited response on design options. Mr. Binder reminded Council that Black and Veatch studied all possible alternatives and Council accepted their recommendations in February 2006. This locked the City into the type of design as

the alternatives were subsequently accepted by the Department of Justice. Once the Department of Justice accepted the alternatives, the City had nine months to send out an RFP for design services.

Mr. Waltman questioned why no others responded to the RFP. Mr. Binder feels it was because they wanted to reopen the design alternatives but were unable due to the Department of Justice approval.

Mr. Waltman questioned if conceptual issues could have been addressed prior to approval and how this could affect the cost of the project. Mr. Randy noted that this is a conservative design. This design addresses the alternatives, not the plant design, but rather the process design. He noted that this design is very robust and will handle future developments.

Mayor McMahon noted that the value engineering does not readdress the process. Mr. Spencer questioned if a value engineer could make changes to the process. Mr. Binder noted that this would be a back door entry to design changes and would not be allowed by the Department of Justice. This process has been federally approved.

Mr. Waltman questioned if delaying the award of this contract would impair the build timeline. Mr. Binder noted that he has contacted the U S Attorney General about the timeline and was denied an extension. Delaying the award of contract causes additional time to be lost.

Mr. Marmarou questioned a bill proposed by Gov. Rendell for municipalities to have additional time for projects such as these. Mr. Binder indicated that this bill focuses on the Chesapeake Bay project and would have no bearing on this issue. He further stated that there is no money in the State budget for this extension and he feels this bill will not pass. He noted that farming is the issue with this bill, not waste water treatment.

Ms. Goodman-Hinnershitz questioned the consequences of not awarding the contract in a timely manner. Mr. Binder noted there would be daily, weekly, and possibly monthly fines. He noted the separate deadlines along the timeline and noted penalties are possible if any deadline is missed.

Ms. Goodman-Hinnershitz questioned the next step on the timeline. Mr. Jones stated that the contract for the design phase needs to be adopted. There are approximately 30 days left before a penalty will be assessed.

Mr. Fuhs noted his questioning of the process used. He noted that nine responses were received to the RFQ. He noted that the four top national firms were chosen for the RFP. He noted that three of the four did not respond and felt they were at a disadvantage. He questioned how that could occur. Mr. Spencer reiterated that when Council questioned if Black and Veatch became involved in the process earlier that they would not have an advantage during the bidding process.

Mr. Waltman noted his desire for the timeliness of the bidding phases. Mr. Jones noted that these specifications will be very complicated. He noted his belief that no small firm would be able to handle the technicalities. Mr. Randy agreed and stated that the construction would be bid in four phases.

Mr. Randy indicated that the current market has a large demand for this type of work. He noted that it is possible the other firms did not bid because they chose to focus on other projects.

Mr. Spencer noted his concern with the loss of time. He questioned who was responsible for keeping to the timeline since a project manager has not been contracted to date. It also questioned why it took a year to send out the RFQ. Mr. Jones stated that the RFP was sent out in October. He noted that the process has been inefficient.

Mayor McMahon questioned how long it would take to re-bid this contract. Mr. Jones stated that it would take a minimum of six months.

Mayor McMahon questioned if the Department of Justice was notified that the City received only one bid for this contract. Mr. Binder noted that they were and the request was rejected.

Mr. Spencer questioned if a project manager could have questioned the different alternatives before they were approved by the Department of Justice. Mr. Randy noted that would have been an appropriate time to question the process.

Mr. Spencer questioned when the collection system would be addressed and if that would impact the waste water treatment plant timeline. Mr. Randy noted that the collection system must be complete before the waste water treatment plant. Mr. Binder noted there are two separate timelines.

Mr. Spencer questioned who was overseeing the collection system analysis. Mr. Binder indicated that the supervisor of Sanitary Sewers is working on the evaluation and the GIS information.

## **V. Executive Session**

Council entered into executive session at 6:57 pm. Executive session ended at 7:01 pm.

## **VI. Medical Arts Building**

Mr. Younger gave a brief overview of the lien position issue. Mr. Bill McMahon gave a brief history of his involvement in the building. He noted Council's action to transfer the mortgage but the lien position was unclear. He noted his unwillingness to take the second position.

Mr. Spencer questioned the importance of holding the first position. Mr. Younger stated that the entity in first position gets repaid first in the case of a default. The first position has a financial advantage.

Mr. Waltman discussed the intent of the lien position when the mortgage was transferred. Mr. Younger noted that the mortgage was authorized but the inter-creditor agreement was not authorized.

Ms. Goodman-Hinnershitz questioned the timeline. Mr. Bill McMahon noted that settlement was scheduled for March 31.

Mr. Waltman noted his support of the lien position.

Mr. Marmarou noted his frustration at feeling pushed into corners by waiting until the last minute on strict timelines.

Mr. Fuhs questioned if Mr. Bill McMahon used his personal money for this project. Mr. McMahon stated that he had.

Mr. Younger reminded Council that this would be their decision and that first position is preferable.

Mr. Sterner questioned the detriment if the lien position is not accepted. Mr. Younger noted the lost revenues

The meeting was adjourned at 7:16 pm.

Respectfully Submitted

By: \_\_\_\_\_  
Linda A. Kelleher, City Clerk